

# Alger Spectra Fund

3rd Quarter 2022 As of September 30, 2022

### Ticker Symbols

Class A	<b>SPEXC</b>
Class I	<b>ASPIX</b>
Class Y	<b>ASPYX</b>
Class Z	<b>ASPZX</b>

### Investment Strategy

Primarily invests in growth equity securities of U.S. companies identified through our fundamental research as demonstrating promising growth potential, and engages in short selling (up to approximately 10% of the market value of the portfolio). Seeks long-term capital appreciation.

### Portfolio Managers



**Patrick Kelly, CFA**  
Executive Vice President  
Portfolio Manager,  
Head of Alger Capital Appreciation  
and Spectra Strategies  
25 Years Investment Experience



**Dan Chung, CFA**  
Chief Executive Officer,  
Chief Investment Officer  
Portfolio Manager  
28 Years Investment Experience



**Dr. Ankur Crawford**  
Executive Vice President  
Portfolio Manager  
18 Years Investment Experience

### Benchmark

Russell 3000 Growth

### Morningstar

**Category:** Large Growth

### Morningstar Style Box™

reveals a fund's investment strategy by showing its investment style and market capitalization based on the portfolio holdings. As of 07/31/2022

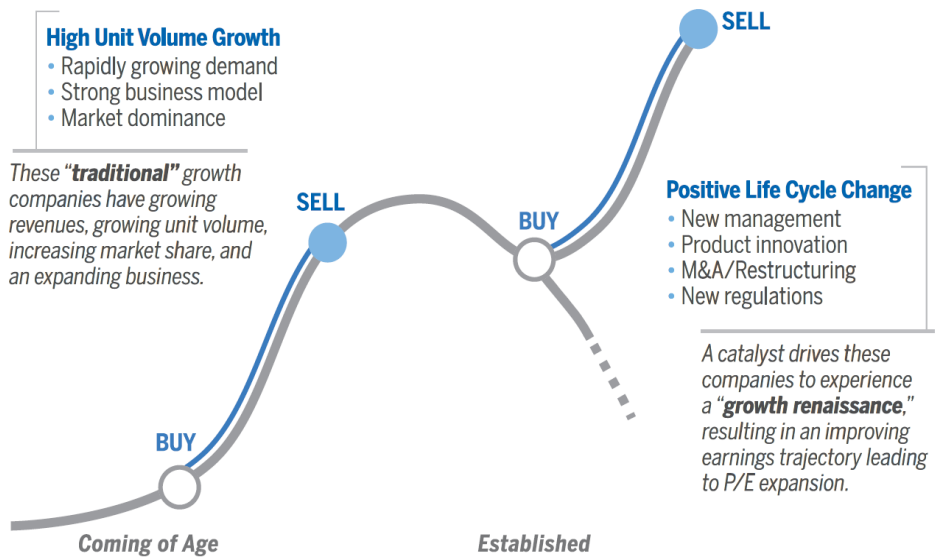
SIZE	STYLE		
	Value	Blend	Growth
Large			
Medium			
Small			

### Who We Are

Fred Alger Management, LLC is widely recognized as a pioneer of growth-style investment management. We have been an independent, privately owned firm since our founding in 1964. For more than 50 years, we have had **three leaders with one vision**: Maintaining the legacy and continuity of the Alger Investment Philosophy.

### Philosophy

Alger has been committed to a growth style of investing since the firm was founded in 1964. We believe that the best way to uncover and evaluate such companies is through intensive, fundamental, proprietary investment research. At Alger, we believe companies undergoing **Positive Dynamic Change** offer the best investment opportunities. By Positive Dynamic Change, we mean those companies experiencing High Unit Volume Growth and Positive Life Cycle Change.



### Process

- NEW IDEAS** Analysts identify companies experiencing positive dynamic change in their sectors and regions to generate potential investment ideas
- ANALYSIS** Analysts perform in-depth company analysis to develop a differentiated view supported by detailed financial models and stress-tested for a range of potential outcomes
- DIALOGUE** Analysts present their ideas to portfolio managers and have their investment thesis and assumptions challenged
- CONSTRUCTION** Portfolio managers construct portfolios of the highest conviction ideas while managing risk
- MONITORING** Risks are collaboratively managed by analysts, portfolio managers, the Director of Quantitative and Risk Management, and compliance

## 3rd Quarter 2022

## Average Annual Total Returns (%) (as of 9/30/22)

	QTR	YTD	1Year	3Years	5Years	10 Years	Since Inception
<b>Class A</b> (Incepted 7/28/69)							
Without Sales Charge	-2.54	-37.45	-36.84	3.25	6.99	10.76	14.85
With Sales Charge	-7.65	-40.74	-40.16	1.41	5.84	10.16	14.72
<b>Class I</b> (Incepted 9/24/08)	-2.50	-37.43	-36.81	3.28	7.00	10.78	14.87
<b>Class Y</b> (Incepted 12/3/18)	-2.39	-37.24	-36.57	3.63	—	—	5.08
<b>Class Z</b> (Incepted 12/29/10)	-2.45	-37.29	-36.61	3.59	7.33	11.11	11.01
<b>Morningstar Category Average</b> (Large Growth)	-4.09	-32.09	-27.10	6.77	8.95	11.36	—
<b>Russell 3000 Growth Index</b>	-3.37	-30.57	-23.01	10.16	11.57	13.36	(Since 12/03/2018) 10.69 (Since 12/29/2010) 12.90
<b>Morningstar Percentile Rank</b> (Large Growth) Based on Total Returns							
<b>Class A</b>	—	—	88% 1093/1252	84% 974/1142	80% 854/1060	68% 542/790	—
<b>Class I</b>	—	—	88% 1090/1252	84% 973/1141	80% 851/1059	67% 537/790	—
<b>Class Y</b>	—	—	87% 1079/1252	83% 948/1142	—	—	—
<b>Class Z</b>	—	—	88% 1082/1252	83% 952/1142	78% 822/1060	61% 484/790	—

Total Annual Operating Expenses by Class  
(Prospectus Dated 3/1/22)

A: 1.39% I: 1.40% Y: 1.09% Z: 1.09%

Fred Alger Management, LLC began managing the Spectra Class A portfolio on December 31, 1974. Class A and Class I share since inception returns are calculated from this date.

Fred Alger Management, LLC has contractually agreed to waive fees or to reimburse Fund expenses (excluding acquired fund fees and expenses, dividend expense on short sales, borrowing costs, interest, taxes, brokerage and extraordinary expenses) through February 29, 2024 to the extent necessary to limit the total annual fund operating expenses of Class Y to 0.79% and Class Z to 0.99% of the class's average daily net assets. This expense reimbursement may only be amended or terminated prior to its expiration date by agreement between Fred Alger Management, LLC and the Fund's Board of Trustees, and will terminate automatically in the event of termination of the Investment Advisory Agreement. Fred Alger Management, LLC may, during the term of the contract, recoup any fees waived or expenses reimbursed pursuant to the contract; however, the Fund will only make repayments to Fred Alger Management, LLC if such repayment does not cause the Fund's expense ratio after the repayment is taken into account, to exceed both (i) the expense cap in place at the time such amounts were waived or reimbursed, and (ii) the Fund's current expense cap. Such recoupment is limited to two years from the date the amount is initially waived or reimbursed.

Only periods greater than 12 months are annualized.

**The performance data quoted represents past performance, which is not an indication or a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. Performance figures assume all distributions are reinvested. Returns with sales charges reflect a maximum front-end sales charge on Class A Shares of 5.25%. For performance current to the most recent month end, visit [www.alger.com](http://www.alger.com) or call 800.992.3863.**

## Calendar Year Returns (%) (as of 12/31/21)

	Fund (Class A)	Morningstar Large Growth Category Average	Russell 3000 Growth Index
<b>2021</b>	11.74	20.45	25.85
<b>2020</b>	43.58	35.86	38.26
<b>2019</b>	32.15	31.90	35.85
<b>2018</b>	-0.88	-2.09	-2.12
<b>2017</b>	31.03	27.67	29.59
<b>2016</b>	-0.18	3.23	7.39
<b>2015</b>	7.08	3.60	5.09
<b>2014</b>	12.28	10.00	12.44
<b>2013</b>	35.07	33.92	34.23
<b>2012</b>	18.79	15.34	15.21

## 3rd Quarter 2022

## Characteristics (as of 9/30/22)

	Alger Spectra Fund	Russell 3000 Growth Index
Equity Holdings	105	1639
Active Share (%)	67.89	—
Market Cap (Median—\$Bn)	\$28.28	\$2.11
Market Cap (Wtd Average—\$Bn)	\$518.64	\$664.15
P/E Ratio	22.57	20.07
Sales Growth (Next 12 Months) (%)	14.51	8.97
EPS Growth (3-5 Yr Forecasted) (%)	17.18	12.55

## Top 10 Holdings (%) (as of 9/30/22)

	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Microsoft Corporation	9.68	9.65	0.03
Amazon.com, Inc.	7.19	5.56	1.63
Apple Inc.	4.87	11.71	-6.83
Tesla Inc	3.84	3.74	0.10
Alphabet Inc. Class C	3.67	2.50	1.17
HEICO Corporation Class A	2.61	0.05	2.56
Natera, Inc.	2.53	0.02	2.51
Netflix, Inc.	2.46	0.26	2.20
Live Nation Entertainment, Inc.	2.29	0.03	2.25
McKesson Corporation	2.14	0.05	2.08
Total	41.28	33.57	7.70

## Market Capitalization (as of 9/30/22)

Market Cap Range	Alger Spectra Fund	Russell 3000 Growth Index
>\$50B	55.36	73.42
\$15B-\$50B	31.54	14.17
\$7.5B-\$15B	5.03	4.32
\$1.5B-\$7.5B	8.16	6.64
\$750M-\$1.5B	0.28	0.96
<\$750M	-0.37	0.50

■ Alger Spectra Fund

■ Russell 3000 Growth Index

## Portfolio Statistics (5 Years as of 9/30/22 for Class A)

	Alger Spectra Fund	Russell 3000 Growth Index
Alpha	-4.35	—
Beta	1.04	1.00
Standard Deviation	21.74	20.42
Sharpe Ratio	0.36	0.58
Information Ratio	-0.82	—
Upside Capture (%)	92.80	—
Downside Capture (%)	107.37	—

## Top 10 Active Holdings (%) (as of 7/31/22)

	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Shake Shack, Inc. Class A	2.59	0.01	2.58
HEICO Corporation Class A	2.38	0.05	2.34
Natera, Inc.	2.22	0.02	2.20
Advanced Micro Devices, Inc.	2.75	0.57	2.17
Live Nation Entertainment, Inc.	2.17	0.03	2.14
SolarEdge Technologies, Inc.	2.13	0.00	2.13
Alphabet Inc. Class C	4.78	2.66	2.12
Datadog Inc Class A	2.18	0.13	2.06
McKesson Corporation	1.89	0.05	1.84
MGM Resorts International	1.83	0.00	1.83
Total	24.93	3.51	21.42

## Sector Allocation (as of 9/30/22)

Sector	Alger Spectra Fund	Russell 3000 Growth Index	Active Weight
Information Technology	~35	~35	-8.72
Consumer Discretionary	~18	~18	1.67
Health Care	~15	~15	4.29
Communication Services	~10	~10	2.42
Industrials	~8	~8	-0.94
Energy	~5	~5	3.89
Real Estate	~2	~2	0.76
Financials	~2	~2	-1.06
Materials	~1	~1	0.34
Consumer Staples	~1	~1	-3.96
Utilities	~1	~1	1.33

■ Alger Spectra Fund

■ Russell 3000 Growth Index

### 3rd Quarter 2022

**Risk Disclosures** - Investing in the stock market involves risks, including the potential loss of principal. Growth stocks may be more volatile than other stocks as their prices tend to be higher in relation to their companies' earnings and may be more sensitive to market, political, and economic developments. Local, regional or global events such as environmental or natural disasters, war, terrorism, pandemics, outbreaks of infectious diseases and similar public health threats, recessions, or other events could have a significant impact on investments. A significant portion of assets may be invested in securities of companies in related sectors, and may be similarly affected by economic, political, or market events and conditions and may be more vulnerable to unfavorable sector developments. Foreign securities involve special risks including currency fluctuations, inefficient trading, political and economic instability, and increased volatility. Short sales could increase market exposure, magnifying losses and increasing volatility. Leverage increases volatility in both up and down markets and its costs may exceed the returns of borrowed securities. Active trading may increase transaction costs, brokerage commissions, and taxes, which can lower the return on investment. This material is not meant to provide investment advice and should not be considered a recommendation to purchase or sell securities.

Class I shares are an investment vehicle for institutional investors, such as corporations, foundations, and trusts managing various types of employee benefit plans, as well as charitable, religious, and educational institutions. Investors may purchase or redeem Class I shares through a financial intermediary. There are no sales charges on purchases or redemptions.

Sector allocations shown are exclusive of cash.

Portfolio Statistics are sourced from Morningstar, an independent source which we believe to be reliable and based on the fund share class referenced.

Active Share is a measure of the percentage of stock holdings in a portfolio that differs from the benchmark index. Alpha measures the difference between a portfolio's actual returns and its expected performance, given its level of risk (as measured by beta). Beta measures a portfolio's sensitivity to market movements relative to a particular index; a portfolio with a beta of 1.00 would be expected to have returns equal to such index. Characteristics and portfolio statistics are sourced from FactSet, an independent source which we believe to be reliable. Fred Alger Management, LLC, however, makes no representation that it is complete or accurate. Downside Capture Ratio measures a portfolio's performance in down markets relative to the benchmark. It is calculated by taking the portfolio's downside return and dividing it by the benchmark's downside return. A down-market is defined as those time periods in which market return is less than 0. Equity Holdings for the referenced product represents individual securities held, excluding private placements, private equity, rights, warrants, options, other derivatives, cash or cash equivalents and securities where the total market value in the portfolio is less than one dollar. A list of all holdings can be found at [www.alger.com](http://www.alger.com) for the applicable fund or composite. Information Ratio was calculated as the portfolio's rate of return less the index's rate of return relative to the portfolio's standard deviation less the index's standard deviation for the period shown. P/E Ratios were calculated using a weighted harmonic average. Sales Growth and EPS Growth rates were calculated using a weighted median. Please note that alternative methodologies exist for calculating P/E Ratios, Sales Growth, and EPS Growth, and utilizing another methodology might produce materially different results than those shown. Earnings per share (EPS) is the portion of a company's earnings or profit allocated to each share of common stock. Sales Growth is a measure of the estimated sales growth rate of a company over the next 12-months. Sharpe Ratio was calculated as the portfolio's rate of return less the 3 month T-Bill's rate of return relative to the portfolio's standard deviation less the 3 month T-Bill's standard deviation for the period. Please note that using different points of comparison may have materially different results. Standard Deviation measures how much the portfolio's return has deviated from its average historical return. Upside Capture Ratio measures a portfolio's performance in up markets relative to the benchmark. It is calculated by taking the portfolio's upside return and dividing it by the benchmark's upside return.

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The Russell 3000® Growth Index combines the large-cap Russell 1000® Growth, the small-cap Russell 2000® Growth and the Russell Microcap® Growth Index. It includes companies that are considered more growth oriented relative to the overall market as defined by Russell's leading style methodology. The Russell 3000 Growth Index is constructed to provide a comprehensive, unbiased, and stable barometer of the growth opportunities within the broad market. The Russell 3000® Growth Index performance does not reflect deductions for fees or expenses. Investors cannot invest directly in any index. Index performance does not reflect deductions for taxes. Note that comparing the performance to a different index might have materially different results than those shown. **The performance data quoted represents past performance, which is not an indication or a guarantee of future results.**

**Before investing, carefully consider the Fund's investment objective, risks, charges, and expenses. For a prospectus and summary prospectus containing this and other information or for the Fund's most recent month-end performance data, visit [www.alger.com](http://www.alger.com), call (800)992-3863 or consult your financial advisor. Read the prospectus and summary prospectus carefully before investing. Distributor: Fred Alger & Company, LLC. NOT FDIC INSURED. NOT BANK GUARANTEED. MAY LOSE VALUE.**